

**Central Falls Detention Facility Corporation Meeting Minutes**  
**Wednesday, September 18, 2013**  
**Wyatt Detention Facility Training Building**  
**935 High Street**  
**Central Falls, RI 02863**  
**5:30 P.M.**  
**TDD/TTY 401-727-7450**

A meeting of the Central Falls Detention Facility Corporation was held on the above date in the Training Building at 5:30p.m.

1) Call to order / Roll Call – 5:30 p.m.

Members present: Chairman Doherty, Director Cabral, Director Tillinghast, and Director Rios

Absent: Director Figueroa (arrived @ 6:10pm)

2) Public Comment

No public comment.

3) Approval of Minutes 7/17/13

Chairman Doherty noted for the record that the Board did not hold a meeting in August due to scheduling conflicts.

Motion to approve the minutes of the 7/17/2013 meeting made by Director Cabral; seconded by Director Tillinghast. All were in favor. Motion carried.

4) New Business

A. Class 34

Warden Murphy recommended continuing the holding pattern for Class 34. He cited sufficient staffing levels to operate that facility based on current detainee population. Right now, there are three housing units closed down. He noted the possibility that the seventeen individuals cleared to participate in the Academy could seek employment elsewhere. Recently, there has been a spurt in overtime. There have been several suicide watches. There have been hospital trips. These are things that you really can't plan for. Looking at the current ADP, which is down, he could not recommend to the Board that we move forward with an Academy. He is hopeful that in the Fall there may be some increased revenues and business. The other risk that we run in delaying our Academy is that the ACI and the Massachusetts Department of Corrections are actively seeking individuals for their processes so that could impact us. He asked that we revisit this topic next month.

B. Board Member Training

Chairman Doherty expressed the importance of training for the Board members. He suggested a half day of training may suffice. He mentioned the area of corporate governance and asked Attorney Lynch-Gadaleta for suggestions for other topics to be covered. She said that the AG's office would be willing to come in to do training on open meetings. Chairman Doherty said that he knew a few people that may be

willing to come in to offer training to the Board members on a volunteer basis, so there would be no cost to the Corporation. He said that the Board members could discuss the timing of the training and other topics to be covered in the coming weeks.

#### C. Conflict of Interest Policy

Chairman Doherty said that he felt it was important for Board members and the Warden to review and sign the conflict of interest policy. Attorney Lynch-Gadaleta distributed a draft of the policy to the Board Members and to the Warden. They agreed that a vote would be held at the October meeting to allow Board members time to review the policy.

#### D. Creation of Governance Committee

Chairman Doherty said that he felt it necessary to have a Corporate Governance Committee to discuss internal issues that may come up. A conversation ensued between Attorney Lynch-Gadaleta, Chairman Doherty, Director Rios and Tillinghast about how the committee would work. All agreed that training would be necessary once the committee was established.

Motion to create a Governance sub-committee made by Director Tillinghast; seconded by Director Cabral. All were in favor. Motion carried.

Director Rios and Chairman Doherty agreed to be part of this sub-committee. Director Tillinghast will be an alternate.

#### E. RFP for Accounting Firm

Warden Murphy stated that we had O'Connor & Drew conduct our audit for last year. We agreed to a one-year extension. He believed that we should put this service out to bid this year. Director Tillinghast agreed. He recommended a three year agreement with a one- or two-year extension option.

Motion to put the RFP for accounting services out to bid made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

#### F. GTL Contract

Warden Murphy along with Attorney Fracassa explained that this is the contract for the detainee telephones. Warden Murphy recommended, and Attorney Fracassa concurred, that a two-year extension to the contract would be beneficial to the Corporation. He said that GTL will increase our commission to 67%, with a \$10K commission up-front if we agree to the extension. Warden Murphy stated that the service was good, income on the commission was good, and there are not that many carriers out there. There is an FCC ruling that we are paying attention to that may affect the commissions. A discussion ensued in regards to cost of phone calls to detainees vs. ability to make calls, and whether the rates to detainees would go up under this extension. Chairman Doherty said that he was struggling with the idea of making money off of these people at the cost of making it cost-prohibitive for them to make calls. Warden Murphy said that the rates to detainees are not going up, just the commission rate that the facility receives. Attorney Fracassa said the rates are set by contract, and he was not sure if rates escalate each year. The rates are high. The FCC has recognized that and there will be a capping of the rates that companies, such as GTL, can charge. This will boil down to a public-policy decision.

Director Tillinghast brought up the point that, if the rates are so high that detainees can not afford to make calls, then the facility would be getting a higher commission on a smaller pot of money. Warden Murphy provided information on current commissions and the expected increase in commission as a result of this extension. Attorney Fracassa pointed out that this was a 10% increase that would apply retroactively to June. Warden Murphy asked that the Board approve this contingent upon the fact that the rates that detainees pay for the calls would not go up.

Attorney Lynch-Gadaleta said that it was not pertinent that this be approved tonight. Attorney Fracassa said that he would like the opportunity to confirm that rates to detainees would not go up with this extension.

\*Director Figueroa arrived during this discussion (6:10pm).

Motion to table the GTL Contract to the next meeting made by Director Cabral; second by Director Tillinghast. All were in favor. Motion passed.

#### G. Insurance Contract

Director Tillinghast proposed to have a broker review of the insurance coverage. CFO Robert Cuzzupe has a plan for this to be implemented for the 2014/15 policy year. Gencorp is the broker of record. He spoke with Joe Padula, a principal with Gencorp as to when the insurances would be shopped. He said they'd begin this process in April, 2014. He plans to contact another broker, too. The Board agreed to revisit this issue once more information was available.

#### H. Report of CFO

##### 1) Current Cash Report

CFO Cuzzupe reviewed three months of financial information (June, July, and August, 2013).

The following is the current financial information as of August 31, 2013:

#### **REVENUE**

Total revenue for the month was approximately \$1.8M, a decrease of \$55k compared to July. ADP for the month was 544 compared to 563 for July.

Revenue for the month was unfavorable to budget by \$292k. The budgeted ADP was 634 for the month compared to the actual of 544.

YTD Revenue is \$15.7M, \$1.0M unfavorable to budget.

#### **OPERATING EXPENSES**

Total operating expenses for the month were \$1.4M, \$5k lower than July.

Total Operating expenses for the month were 47K favorable to the budget.

YTD operating expenses are \$11.5M, \$16k unfavorable to budget.

#### ***Salaries and Fringe***

Total salaries and fringe were approximately \$987k, \$52k favorable to budget partly attributable to maintaining vacancies in our staffing.

### ***Inmate Care Expenses***

Total inmate care expenses were approximately \$122k, \$19k favorable to budget. The decrease was due to lower food service expenses \$8K, medical supplies \$4k, professional services (medical staffing) \$3K and programs & education \$3K.

### ***Direct & Administrative Expenses***

Total direct and administrative expenses were approximately \$147k, \$23k unfavorable to budget. The increase was due to employee screening for \$13K and \$10k to cover a deductible pertaining to a legal settlement.

### ***Insurance Expense***

Total insurance expenses were approximately \$46k which is \$2k favorable to budget. The decrease was due to medical mal practice insurance renewing at a lower premium.

### ***Building & Utility Expenses***

Total building and utility expenses were approximately \$112k, \$3k unfavorable to budget. This was due to higher than expected electrical costs for the month.

## **OPERATING INCOME**

Operating income for the month was \$429k, \$244k unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP.

YTD operating income is \$4.2M, \$1.0M unfavorable to budget.

## **NON-OPERATING REVENUE/EXPENSE**

Non-Operating Expenses for the month were \$803k, \$72k favorable to budget. The variance is due to the way interest income is being recognized and the change in depreciation.

## **CHANGE IN NET ASSETS**

Change in net assets for the month was a decrease of \$375k compared to a budgeted decrease of \$203k.

### **2) Overview of accounts update**

The following are the cash balances in the trustee accounts as of August 31, 2013:

General Revenue Fund	\$1,898,111
Debt Service Fund	\$ 309,679
Capital Improvement Account	\$ 4
O & M Account	\$ 328,886
Debt Service Reserve Fund	\$5,325,082
Fees & Expense Account	\$ 25,000

Chairman Doherty added that, as Mr. Cuzzupe mentioned repeatedly, the ADP is down. He pointed out that the Corporation has communicated with ICE as well as the RI Congressional Delegation that the facility is running efficiently and ethically at this time. Director Tillinghast pointed out the impact that the significantly lower ADP has on the overall budget.

Motion to accept the financial report was made by Director Tillinghast; seconded by Director Cabral. All were in favor. Motion passed.

- I. Reports of the Warden and/or Legal Counsel (as necessary); ADP update; Emergency purchases.

Warden Murphy reported on the following:

- ADP: 546
- YTD ADP: 595
- Population trends across the country are down. Everybody is experiencing this. Our Bondholder has other investments in this arena and have been seeing the same thing in those investments.
- Suicide watch hours are down from last year. We are at \$52,000 compared to last year we had \$106,000. I caution you when I say that because in the last week we have had up to 3 people on suicide watch. We currently have 2 people on watch now.
- Marketing
  - We did sent a letter to ICE and hope to get together with them and have some discussions to reengage ICE.
  - We recently had contact with an official from the procurement division of the Federal Bureau of Prisons. We sent them information on the facility and the services that we can render to them. We have a package that we sent them. We are trying to solicit their market for the northeast. With the federal systems cutting back, we hope that maybe we can be opportunity for them to shut down a facility and house people here in this area.
  - We shared a proposal for reentry services to them and hope that we will be a viable option for a reentry program to include housing, employment and other services they will need.
  - We had the Navy here for an inspection. The military is closing down brigs up and down the east coast. We hope that they will consider us, not just for the Navy, but for other branches, too.
  - We also had a visit from about seventeen people from the Connecticut Federal Courts, including about 5 or 6 judges and magistrates. This was an important visit because of the time and distance to Connecticut. They were very impressed with our staff, the facility, and the conditions of confinement.
  - We had the Probation Officers here yesterday and they were very complimentary of our Programs staff.
  - The US Attorney's Office from Worcester was here for a visit.
  - We also had a visit from the British Consulate. She commented that, in her seventeen years of doing this, she's never seen a place more up-to-snuff than this one.
  - Marshal Hainsworth was here last week.
- Outreach and Networking
  - CF Fire Department has been here several times for training our employees. They are also maintaining quarterly inspections.
  - Detectives DeMarco and Slade from the Rhode Island State Police were here training our Supervisors and Senior Staff Members on Preservation of a Crime Scene and Evidence Collection.
  - Central Falls Prevention Coalition - Ms. Pouliot now participates on this committee that works for the betterment of the community and the kids. They use our facility for meetings.

- We renewed our FCC License. It's good for the next ten years.
- We did a shakedown of the facility on September 10<sup>th</sup>. We didn't find any hard contraband. We do three of those a year. It was also an opportunity to exercise our emergency plans and our incident command and the staff did a tremendous job.
- Robert Cuzzupe and Warden will be going over the budget for next year.
- We will be renewing our employee health insurances soon. We've challenged Cornerstone, our Broker, to come back with hopefully a 0% increase. However, he did advise us of increases that were coming due to Healthcare Reform.
- We received a letter from Keefe, who was not awarded the commissary services contract and we've responded to them.
- We trained some staff in critical incident stress. We've teamed up with Ann Balboni, a specialist in this area, to assist us with this.
- Capital Projects Update –
  - We are still waiting for funds for the computer rooms for the dry chemicals and the fire suppression sprinkler system. They are leaking all over.
  - The door control project has been completed.
- Three minor fights over the past month and a half with no staff injuries.
- On August 16<sup>th</sup>, we had an altercation within the gang unit. In particular, one detainee was trying to assault other detainees with a weapon. A newer sergeant, Sergeant Montgomery took control of the situation with command presence. Within two minutes, staff took control of the situation.
- We had a suicide on August 27<sup>th</sup>. The Department of Justice will be reviewing this tomorrow. He could not speak in detail since this was still under investigation. However, in general, staff did an outstanding job trying to save this young man's life.
- Director Cabral asked if there was any further information regarding the incident in the library. Warden Murphy said that, internally, we've reviewed and revised our policies and procedures, but we have not yet received the report from the Marshals. Chairman Doherty directed him to contact Marshal Hainsworth for the outcome on that.
- Chairman Doherty asked Warden Murphy about an open house or a tour for Senator Reed, Senator Whitehouse, Congressman Cicilline, and Mayor DiStasio. Warden Murphy said that he had a letter for the Chairman's review to invite those individuals to the facility.

Motion to accept the Warden's report made by Director Rios; seconded by Director Cabral. All were in favor. Motion passed

5) Agenda items for next Board Meeting scheduled for October 16, 2013 @ 5:30pm.

Chairman Doherty said that Board members should arrive @ 3 pm for a two-and-a-half hour training prior to the next Board meeting.

He stated that the agenda for the next meeting will include, but is not limited to the Conflict of Interest policy, GTL Contract, CFO's Report, and the Warden's Report.

Motion to go into Executive session made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

6) RIGL § 42-46-5

- A. RIGL § 42-46-5(a)(2) and RIGL § 42-46-5(a)(4) for the purpose of reviewing issues regarding Cornell litigation; Almonte Report follow-up, Almonte contract, and insurance coverage.
- B. RIGL § 42-46-5(a)(3) for the purpose of receiving an operational report from the Warden.
- C. RIGL § 42-46-5(a)(1) Personnel

Motion to end Executive Session and return to Open Session made by Director Cabral at 8:42p.m.; seconded by Director Rios. All were in favor. Motion passed.

7) Adjournment.

DRAFT